



MINUTES OF THE MISSION FINANCE & ADMINISTRATION COMMITTEE

July 7, 2021

The Mission Finance & Administration Committee met at the Powell Community Center and virtually via ZOOM on Wednesday, July 7, 2021. The following Committee members were present: Sollie Flora, Ken Davis, Kristin Inman, Arcie Rothrock, Trent Boultinghouse, Hillary Parker Thomas, Debbie Kring and Nick Schlossmacher. Mayor Appletoft was also present. Councilmember Kring called the meeting to order at 6:40 p.m.

The following staff were present: City Administrator Laura Smith, Assistant City Administrator Brian Scott, City Clerk Audrey McClanahan, Assistant to the City Administrator Emily Randel, Public Works Director Celia Duran, Public Works Superintendent Brent Morton, Parks & Recreation Director Penn Almoney and Police Chief Dan Madden.

Public Comments

Councilmember Kring explained that this meeting is being held virtually via Zoom and participants can make a comment through the chat feature.

There were no public comments.

Acceptance of the June 2, 2021 Finance and Administration Committee Minutes

Minutes of the June 2, 2021 Finance and Administration Committee Meetings were provided to the Committee. There being no objections or corrections, the minutes were accepted as presented.

Purchase of a Portable Incinerator for Evidence Destruction

Chief Madden explained that the Police Department is at capacity to store seized, recovered, and forfeited drugs along with prescription drug drop offs, which all need to be destroyed for safe disposal. In the past, the Police Department used a private contractor to incinerate drugs and related evidence eligible for destruction. This company no longer provides this service to law enforcement. Alternative companies were researched and the Department has not been able to find anyone locally who would provide evidence incineration services. The Department has been allowed to incinerate small amounts of this type of evidence at another agency on a limited basis, however, this has not been often enough to meet our needs. There is currently a backlog of drugs and other evidence that needs to be destroyed.

The agency that has allowed us to incinerate limited amounts of evidence uses the same product recommended which is called the Drug Terminator. Other products have been explored; however, this product was determined to fit the needs of the Department due to the portability, small size,

and electricity requirements (110v). The total cost is \$5,065 which will be paid out of the Special Law Enforcement Trust Fund.

Councilmember Davis asked how the emissions are ventilated, concerned about staff's utilization of the machine. Captain Madden explained that there is not a lot of fumes emitted, however, it would be used outside and the materials would be burned through the process several times over.

Councilmember Boultinghouse recommended the purchase of a portable incinerator, for the Police Department, using funds from the Special Law Enforcement Trust Fund be forwarded to Council for approval. All on the Committee agreed, this will be on the consent agenda.

Discussion Items

2022 Budget – General Fund/Supplemental/CIP

Ms. Smith presented on the recommended 2022 budget which includes 19 funds and total estimated revenues of \$22.5 million and \$25.3 million in expenses. The budget is a crucial communication tool which serves to identify priorities, goals and plans while promoting programs and objectives to the public. It also helps to outline and project future needs and challenges and is required by State Statute.

General Fund Budget

The General Fund is the largest fund and covers all operating costs/services and some capital expenses. Total estimated revenues are \$13,362,392 which is an increase of approximately 4% over the 2021 budget. This fund accounts for over 53% of total annual City budget with a conservative approach in building out the departments' baseline budgets.

Information on the four primary revenue streams in the General Fund revenues was presented. The sales and use taxes continue to perform above projections. The sales tax receipts are anticipated to total \$5.6 million or 42% of budget. Property taxes are the next largest component of the General Fund revenues, with Mission's assessed valuation estimated at \$172,481,966, an increase of 3% from the previous year. One mill in the 2022 budget will generate approximately \$172,500. Of the total mill levy, 7 mills are assessed for street maintenance with the balance (10.048 mills) dedicated to General Fund operations.

Parks and Recreation revenues were the most impacted by the pandemic with projections still at 50% of pre-COVID levels. An increase in revenues is anticipated with the summer camp program and MFAC opening for the season. A long term feasibility study was recommended to evaluate growth opportunities. The last major revenue stream included deals with fine and forfeiture revenues which are collected as a result of law enforcement activity and municipal court charges. This fund is projected to increase in the coming year.

Next, expenditures were discussed for the General Fund with public safety being the highest expense at 37% followed by Parks and Recreation at 25%. The Public Works Department also includes Community Development at 22% and finally, the Administration Department at 16%. There are several Council goals, objectives and policy assumptions incorporated into the 2022 base budget including:

- Subsidizing portion of the residential trash services with WCA (estimated 3% rate increase for 2022)
- Franchise/mill rate program maintained at a 100% of franchise fees, 75% of total City mill, excluding special assessments and 50% of solid waste utility fees
- Reclassification of positions, no new positions with 73 full-time positions
- Increase in health and welfare benefits of 5% over 2021 rates
- \$1.2 million in fund transfers
- Lease payments and debt service - \$432,538

The last major budgetary component to be addressed is General Fund reserves. These reserves are designed to mitigate revenue shortfalls, unanticipated expenditures and to ensure stable tax rates. The City maintains three months of operating reserves which is more than recommended.

Councilmember Flora asked about the recovery curve for the Community Center, concerned that the projections were too ambitious. Ms. Smith explained that influencing the increase for 2022 included the camp revenues as well as returning long-term rental contracts. Councilmember Flora asked about the right percentage of cost recovery and funding a feasibility study for the Community Center, adding that she would like that included in the budget.

2022-2026 Capital Improvement Program

Ms. Smith reported on the five-year Capital Improvement Program (CIP) which is focused on three primary programs: Streets, Stormwater and Parks and Recreation. Since these are larger projects, it is more feasible to address them outside the General Fund. However, some outside funding will go into assisting in projects such as the CARS program for streets and SMAC for stormwater which will be assessed after the Watershed Study is complete.

- **Stormwater**
 - Revenues generated from utility fees assessed annually (\$2.5 million), Drainage district revenues (\$90,000), Gateway Special Assessment (\$599,000)
 - No anticipated changes to utility fee for the next five-years
 - Gateway Special Assessment will determine larger scale maintenance and repair projects
 - Two proposed projects:
 - Rock Creek Channel Repair (120' West of Reeds Road) - 2023 - \$535,000
 - Rock Creek Channel Repair (Outlook to Woodson) - 2025 - \$1.3 million

Councilmember Flora commented that there needs to be a plan to have more than \$100,000 annually for stormwater maintenance and inquired about the potential for increasing the stormwater utility fee. There is a need to balance needs and priorities to ensure we are taking care of our assets, while being sensitive to other factors. She suggested potentially using part of the dark store reserves for more immediate stormwater needs and repairs. Councilmember Iman was concerned with the burden on taxpayers and commented that it would be beneficial to first wait for funding from SMAC.

- **Streets**

- There are three revenue streams that support streets, totaling \$2.37million
- Street sales tax collection will sunset in March 2022 and will need to be renewed in a 2021 ballot election
- Renewed sales tax will be at 3/8-cent, generating an additional \$350,000 annually for 10 years
- 5 year Street Program Plan includes:
 - Maintenance projects
 - Curb and gutter replacement program
 - Biennial bridge inspections
 - Principle/Interest for existing street debt
- UBAS treatment – Johnson Drive (Lamar to Roe) including reconfiguration
- Design of Foxridge, Phase II

- **Parks and Recreation**

- Annual revenues - \$1.04million
- This plan includes: the Powell Community Center (PCC), Mission Family Aquatic Center (MFAC), 8 outdoor parks, and trails
- Debt service utilizes 60% of generated sales tax revenues
- PCC maintenance/upkeep is a significant demand on resources
- Conceptual planning and design process approved for Mohawk, Broadmoor, Andersen and Waterworks parks
- Plans for an a dog park will also be considered
- Projects at PCC will be continually assessed for viability

The Committee discussed interest in pursuing a feasibility study which would provide information needed for changes/updates in the City, including e-bikes, as well as the long term viability options and appropriate cost recovery goals for the Community Center. Councilmember Boultinghouse asked that any feasibility study include Spanish outreach at the Community Center. Councilmember Davis commented that the Community Center is still an asset to the Community. Councilmember Kring wanted to see more maintenance at the parks and asked for additional data on what services are utilized at the Community Center.

Ms. Smith detailed miscellaneous funds that the City maintains. This included the Special Alcohol fund which is tax funds allocated for the treatment and/or prevention of drug and alcohol abuse.

It generates \$70,000 in revenue including the \$30,00 for the Mental Health Co-Responder Program.

The next is Solid Waste Utility Fund that handles residential trash services and will have a transfer from the General Fund to subsidize approximately 15% of the annual contract. The Mission Convention and Visitors Bureau (MCVB) Fund holds the receipts generated by the transient guest tax revenues.

TIF and CID funds was established to account for funds provided on specific projects. Finally, the American Rescue Plan Act (ARPA) Fund was created in 2021 as the repository for approximately \$1.5 million in rescue act funds anticipated from the State of Kansas.

Ms. Smith then reviewed the various supplemental requests that were submitted with the 2021 and 2022 budget review processes. Councilmember Thomas asked about the budgeted amount for the additional co-responder. Chief Madden explained that the \$80,000 would include a co-responder being available more days of the week with additional services such as counseling to bridge the gap between a crisis.

Ms. Duran spoke on the ADA plan, explaining that there can be an inventory of the streets or buildings to find deficiencies which would then need to be fixed. This is not a one time fee but will need to be continually budgeted. Ms. Randel also provided an update, reporting on the interest on the installation of electric assist bikes with the support from BikeWalk KC. Councilmember Thomas asked about pole banners and Mission Market development. Ms. Randel replied that for pole banners there will be two sets a year to change out and remain fresh. As far at the Market, staff would like to see water incorporated into the site first for patrons and dogs and then expansion of the electrical service for vendors. Councilmember Flora suggested fencing around the channel, at the Market site, to protect the patrons. Councilmember Rothrock suggested reassessing the ideas generated from the initial Market Advisory Committee.

Supplemental requests will continue to be reviewed and refined in the coming weeks as the 2021 and 2022 budget recommendations are finalized.

Lastly, upcoming dates were discussed for the remainder of the budget process, including the community dialogue on the 2022 Budget, anticipated at the City Council Legislative meeting, on July 21.

The Council then discussed their intent to exceed the revenue neutral rate established in accordance with SB13. *A straw poll was taken to communicate consensus in exceeding the revenue neutral rate, for the City's annual budget, to inform Johnson County by July 20, 2021. All on the Council agreed.*

A straw poll was taken to communicate consensus in exceeding the revenue neutral rate, for Rock Creek Drainage District No. 1, to inform Johnson County by July 20, 2021. All on the Council agreed.

A straw poll was taken to communicate consensus in exceeding the revenue neutral rate, for Rock Creek Drainage District No. 2, to inform Johnson County by July 20, 2021. All on the Council agreed.

With the intent to exceed the revenue neutral rate for the 2022 Budget established, the overall budget process and calendar will be revised slightly, pushing final budget approval into September in order that a final budget can be certified by October 1, 2021.

OTHER

Department Updates

Ms. Smith provided the following updates:

- Mission Summer Family Picnic, Saturday July 10 from 6pm-10pm with free food and drinks as well as fireworks. The Rotary will sponsor a beer garden for the event. Staff is keeping an eye on the weather forecast and will communicate appropriately through our social media channels if the event needs to be cancelled.
- MoKan Swim Championships will be hosted at the Lenexa indoor aquatic facility for 2021 and not at the Mission Family Aquatic Center.
- DirectionFinder surveys are wrapping up and the results will be presented at the August Committee meeting.
- Roeland Court Townhomes was notified of their special assessment and are now in the official pre-payment period.
- The City will be starting the readiness assessment phase of the Racial Equity in Cities project through the UCS pilot project.

Ms. Smith also congratulated and recognized Police Chief Madden on being accepted into the FBI National Academy which will commence in October for ten weeks.

Meeting Close

There being no further business to come before the Committee, the meeting of the Finance and Administration Committee adjourned at 9:08 p.m.

Respectfully submitted,

Audrey M. McClanahan
City Clerk